

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
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Salt Lake City, Utah 84114-5801
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SMALL MINING OPERATIONS 2009 PROGRESS REPORT
January 1, 2009 to December 31, 2009

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: 50370121
2. Mine Name: DANEROS MINE
3. Name of Operator/Permittee: UTAH ENERGY CORPORATION

Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention together with form MR-REV available on the Division's web page at https://fs.ogm.utah.gov/pub/MINES/Minerals_Related/FORMS/MR-REV-SMO_EXP.pdf

4. Mine Location: SAN JUAN COUNTY
5. Report the gross amount of ore mined and waste moved, as well as the current disposition of the material (sold, stockpiled, regraded, etc.):

Gross Ore Mined 327 Tons, or _____ yd³
Waste Material Moved 600 Tons, or _____ yd³
New Disturbance 2.75 Acres during 2009
Area Reclaimed _____ Acres during 2009
Total Disturbed Area 2.75 Acres*

*Total life of mine disturbance to the end of 2009.

Was the ore shipped off site? If not, where is the ore located? YES

Where is the waste located? ONSITE

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE (https://fs.ogm.utah.gov/pub/mines/minerals_related/forms/MR-SITE.pdf) for an application for full or partial bond/site release).

N/A

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): KELLY SHUMWAY / UTAH ENERGY CORP
Title of Operator: VICE PRESIDENT
Signature of Operator: [Signature]
Date: Jan 4, 2010